N4QBKOLS UNITED STATES DISTRICT COURT	
SOUTHERN DISTRICT OF NEW YORK	
UNITED STATES OF AMERICA,	
V.	20 Cr. 412 (AT) 22 Cr. 201 (AT)
BRIAN KOLFAGE & ANDREW BADOLATO,	
Defendants.	
×	Sentence
	New York, N.Y. April 26, 2023 11:00 a.m.
Before:	
HON. ANALISA TORRES,	
	District Judge
APPEARANCE	ES
DAMIAN WILLIAMS United States Attorney for the Southern District of New York	
BY: ROBERT B. SOBELMAN DEREK WIKSTROM Assistant United States Attorne	evs
CESAR de CASTRO DAVID DESTEFANO	-1-
Attorneys for Defendant Kolfage	9
MAYOR BROWN, LLP	
Attorneys for Defendant Badolat BY: KELLY KRAMER	50

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(Case called)

THE COURT: Counsel, please note your appearances, please.

MR. SOBELMAN: Robert Sobelman and Derrick Wikstrom for the United States, and we're joined at counsel table by Christopher de Grandpre, a paralegal in our office.

MR. De CASTRO: Cesar de Castro and David DeStefano for Mr. Kolfage who is to our right.

MR. KRAMER: Kelly Kramer. I'm here on behalf of Mr. Badolato who is to my right.

THE COURT: Please be seated. This morning's sentencing hearing concerns two cases, United states v. Brian Kolfage and Andrew Badolato, docket number 20 Cr. 412, and United States v. Brian Kolfage, docket number 22 Cr. 201. Ιn connection with today's proceedings, I've reviewed the presentence investigation report for Mr. Kolfage, dated July 19, 2022, as revised on April 3, 2023, including the recommendation and addendum; the presentence investigation report for Mr. Badolato, dated July 25, 2022, as revised on April 3, 2023, including the recommendation and addendum; Mr. Kolfage's sentencing submission dated April 12, 2023, including letters from his friends, family, colleagues, and others. Mr. Badolato's sentencing submission dated April 12, 2023, including letters from his friends, family, colleagues, and others; and the government's sentencing memorandum, dated

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1	April 19, 2023, and the consent order of restitution. Have the
2	parties received all of these submissions?
3	MR. SOBELMAN: Yes, your Honor.
4	MR. De CASTRO: We have, your Honor.
5	MR. KRAMER: Yes, your Honor.
6	THE COURT: Are there any further submissions?
7	MR. SOBELMAN: Not from the government.
8	MR. De CASTRO: Not for Mr. Kolfage.
9	MR. KRAMER: Your Honor, we did file under seal an
10	ex parte, a supplemental submission, and I just wanted to make
11	sure the Court had an opportunity to see that.
12	THE COURT: Yes, I did receive it and review it
13	thoroughly. I am now going to ask some questions. Please wait
14	until I call your name to give your answer.
15	Have you read the presentence report, and have you
16	discussed it with your client, Mr. de Castro?
17	MR. De CASTRO: Yes, your Honor. We received the
18	report and we've discussed it with Mr. Kolfage.
19	THE COURT: Mr. Kramer?
20	MR. KRAMER: Yes, your Honor, same answer. Well, for
21	Mr. Badolato.
22	THE COURT: Yes. Have you read the presentence report
23	and have you discussed it with your lawyer, Mr. Kolfage?
24	DEFENDANT KOLFAGE: Yes, your Honor.
25	THE COURT: Mr. Badolato?

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DEFENDANT BADOLATO: Yes.

THE COURT: Have you had the opportunity to go over with your lawyer any errors in the report or anything else that should be taken up with me, Mr. Kolfage?

DEFENDANT KOLFAGE: Yes, your Honor.

THE COURT: Mr. Badolato?

DEFENDANT BADOLATO: Yes, your Honor.

THE COURT: And AUSA Sobelman, have you reviewed the presentence report for Mr. Kolfage and Mr. Badolato?

MR. SOBELMAN: Yes, your Honor.

THE COURT: Are there any objections to the presentence report regarding factual accuracy. Mr. de Castro?

MR. De CASTRO: No, your Honor.

THE COURT: Mr. Kramer?

MR. KRAMER: No, your Honor.

THE COURT: The government?

MR. SOBELMAN: No, your Honor.

THE COURT: Hearing no objections, the Court adopts the factual recitations set forth in the report, each report, and both reports will be made part of the record in this matter and placed under seal. If an appeal is taken, counsel on appeal may have access to the sealed reports without further application to the Court. Although courts are no longer required to follow the sentencing guidelines, I am still required to consider the guidelines in imposing sentence. And

to do so, it is necessary that I accurately calculate the sentencing range. With respect to Mr. Kolfage, there is a plea agreement in this case in which the parties stipulated to a guidelines range of 51 to 63 months' imprisonment, based on an offense level of 24, and a criminal history category of I. The presentence report contains the same calculation.

With respect to Mr. Badolato, there is a plea agreement in this case, in which the parties stipulated to a guideline range of 41 to 51 months' imprisonment based on an offense level of 22, and a criminal history category of I. The presentence report contains the same calculation. Based on my independent evaluation of the guidelines, I find that for Mr. Kolfage the offense level is 24, the criminal history category is I, and the sentencing range is 51 to 63 months' imprisonment. With regard to Mr. Badolato, the offense level is 22, the criminal history category is I, and the sentencing range is 41 to 51 months' imprisonment.

Now I will hear from the parties. First with respect to Mr. Kolfage, does the government wish to be heard?

MR. SOBELMAN: Yes, your Honor. Your Honor, our submission was detailed, and your Honor is familiar with the facts of the case from the two trials we had for Mr. Shea, so I'll be brief, but of course happy to answer any questions the Court has.

Mr. Kolfage, in contrast to Mr. Badolato and Mr. Shea

was committing crimes before the We Build the Wall scheme was even launched. As is detailed in the presentence report and in the government's submission, he was lying to banks. He was lying to get loans for home equity. He was lying to get loans for a boat. He falsified bank documents. He falsified credit card statements. He drafted a fake letter from a real person who works at the U.S Department of Veteran's Affairs. These things happen all months before, sometimes a year before the We Build the Wall scheme was even launched by him and Mr. Shea and others. That puts him in a different category from Mr. Badolato and Mr. Shea in terms of his culpability, the need for specific deterrence and the government's concerns about recidivism. I'll come back to the core offense conduct in a moment, but to skip over that to what happened after the defendants were arrested in this case.

Mr. Kolfage is also set apart from Mr. Badolato and Mr. Shea. Mr. Shea, of course, did not accept responsibility for his actions. He didn't plead guilty. He went to trial, and his sentencing will be held in June. Mr. Badolato -- but of course Mr. Shea, as far as the government knows, didn't make public statements, didn't talk to the media, didn't claim that the prosecution was somehow unjust or improper. He simply denied the allegations against him, as he had the right to do and proceeded to trial. Mr. Badolato accepted responsibility fairly quickly in this case. Similarly, did not go on some

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kind of public offensive against it.

Mr. Kolfage's postarrest conduct was highly troubling, and I think both is deserving of punishment, general deterrence and perhaps more importantly is an indicator of potential recidivism and the need for specific deterrence. As we laid out in our submission, Mr. Kolfage has taken legal responsibility for his conduct by pleading guilty, but has been continuing to send out public messaging that undermines the notion that he really does accept responsibility for his conduct, and made similar statements to the Manhattan DA's office with respect to their separate, but related investigation. Where he said to them something along the lines of, well, I never intentionally lied to anyone, which of course is contrary to his guilty plea in this case; and contrary to the way in which I think he presents himself in his submission as somehow accepting responsibility fully and being remorseful for his actions.

Particularly troubling is the website that Mr. Kolfage launched, Fight for Kolfage.com, by which he claims to have raised tens of thousands of dollars from more than a thousand people based on completely false claims about the government, the nature of the prosecution, the claims in this case, false statements that he's not guilty, when in fact he has admitted his guilt, and smears against the court itself. It's truly appalling and undermines the cause of justice in the criminal

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justice system, and is something we think should weigh heavily on the Court in deciding whether Mr. Kolfage truly is a risk of recidivism and should be specifically deterred in this case.

To focus for a moment on the conduct, the core conduct in this case. Mr. Kolfage in his submission tried to paint this as something that sort of arose over time, that he said one thing to the public, but he was doing another in private, and it sort of just happened, that really he set out with Mr. Shea and others to raise money for the government to build a wall. And literally Government Exhibit 1 at both of Mr. Shea's trials destroy that notion. It's quoted in our submission, I won't repeat it again, but it is clear from the middle of December 2018, before the GoFundMe goes live that both Mr. Kolfage and Mr. Shea already understand, the government is not going to be able to take the money they raise, and they discuss giving it to themselves, to an organization they control. And all the communications in December, in January, and going on between Mr. Kolfage, Mr. Shea and his other co-conspirators make very clear that Mr. Kolfage's top priority in launching this GoFundMe, in running the fundraiser in raising millions of dollars is himself. It's not border security. It's not a political It's not The Wall. It's not any of that. He may care about those things. He certainly said a lot of about them. They're not relevant here, and they're not relevant in this

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case. But what is relevant, is his own greed. And he's someone who of course has suffered a terrible tragedy, who has served our country, and we honor him for that. We thank him But it's what he's done since then, the conduct in this case, it's a dishonor to our country, and he's betrayed the trust that hundreds and thousands of people put in him. use misused his public profile, and in doing so victimized many different people. He victimized GoFundMe. He victimized the We Build the Wall organization, a non-profit. He victimized some of the people who worked for that organization. victimized the donors of that organization. He victimized the IRS and the U.S. government by doubling down on his fraud and filing false tax returns, including a false tax return he filed after being charged in this district in this case. It's an extremely troubling pattern of conduct. That again, started before We Build the Wall, and continued after his arrest in this case. And the government has real concerns about him being an economic danger moving forward.

It's important to note that the most of Mr. Kolfage's offense conduct was committed from his own home, where he is asking to be allowed to remain with a phone, with a computer. Of course he did travel as part of his involvement with We Build the Wall. He traveled multiple times to the border. He traveled other places in the country for meetings and for sort of town hall style forums with potential donors and supporters.

At many of those public meetings, he lied to the donors' faces, and reasserted the same lies about how he wouldn't take a cent, he wouldn't take a penny. He sat on a panel discussion with Mr. Bannon reiterated these, and then Mr. Bannon echoed saying, oh, everyone here that's involved in We Build the Wall, including Mr. Bannon, including Mr. Kolfage, we're all just volunteers. And around the same time, Mr. Kolfage is sending text messages about wants the 100,000 upfront. He wants 20,000 a month after that, and every month making sure he's getting his pay, his kickbacks laundered through different entities, including Mr. Bannon's entity, including Mr. Shea's entity.

And at that same time, Mr. Bannon stole more than \$1 million from We Build the Wall, with Mr. Kolfage's knowledge, his consent, his understanding, because they were all lining their pockets. That was what it was set up to do. That was the primary purpose. The primary purpose wasn't doing some good in the world. It was to line their own pockets. And the government again acknowledges Mr. Kolfage's service, thanks him for his service, acknowledge the difficulty with which he lives everyday. But at the same time, he has to be held accountable for his actions, and the government thinks a custodial sentence and a substantial one is necessary in this case in order to do so.

THE COURT: I'll hear from Mr. de Castro.

MR. De CASTRO: Thank you, Judge. One thing, thank

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you for letting me speak, Judge. And I think the first thing I'd like to address is a couple of things Mr. Sobelman talked about which is this concern that the government has for recidivism.

First, I think it's addressed in the presentence report that, I mean, statistically he has a very low risk of recidivism. And in this case, there's no sign that there's any cause for concern. I know what the government is raising, which I'll address in a minute, that he's going to commit some other crimes. He pled quilty a year ago, almost a year ago this month. The government points to no issues related to crimes he's committing. He was arrested three years ago on this case, and there's been no issues on his supervision, so I'm also a little confused by the government's presentation here a little in that it's almost a presentation after a trial -- and I know they had a trial, but the trial was not against Mr. Kolfage or Mr. Badolato here. We pled guilty. We pled guilty before that trial, accepted responsibility, and that should go a long way with this Court, with the system that he has accepted responsibility.

We argued in our sentencing submission that the Court should vary substantially, and I note that the government doesn't even acknowledge a variance here. They'll just saying low end of the guidelines, and we think this Court should vary downward based on his history and characteristics that

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established that Mr. Kolfage is a remarkable American that made many mistakes. He made criminal mistakes, but his conduct for the duration of the conspiracy was aberrant behavior. I know the Court took a lot of issue with that in their memo, and I want to address that.

Something the government barely talks about, and I like to spend some time on is the Bureau of Prisons. view based on my experience in this courthouse for many years, my experience with the Bureau of Prisons for many, many years and case law that I do not believe -- and I submit to the Court -- that he is not going to receive appropriate care. as we addressed in our memo, the offense, his role in it, the public face of this crime is significant, but it should be acknowledged that -- and the government has argued it throughout and they argued it at a trial and they've argued it all along -- that the real architects are different people of this. But yes, they've argued that he was the public face. And that, for example, when the organization became an organization before it was just a GoFundMe if you will, that the daily operations were essentially Mr. Bannon and Mr. Badolato. And so that he made public appearances and he certainly had decision making, we're not the ones saying that. I'm not staying he did nothing. I'm just saying what the government has said is to acknowledge that his role was less architect, less in terms of the post -- he's the architect of

the first GoFundMe. But after they started the We Build the Wall organization and that became a functioning organization, they had general counsel. They had counsel. They had lots of other people running the day to day.

And Mr. Sobelman is correct. Mr. Kolfage committed crimes. He accepted money. He promised people that he would not, and he did. And he's here accepting responsibility. This isn't he went to trial and he's been fighting the charges and saying none of it's true, and so we have to have a big fight about the facts. That's not what we're doing here. And so I don't think there's a concern for recidivism. I think — and sort of the last point we made, which I can address very briefly later, is the statistical analysis, which is important the Court has to consider, what sentences are normally given out for this type of fraud, this number in our district and in our circuit, and nationwide.

But in terms of just to sort of address and get out of the way, the concern about protecting the public, which I think speaks to this recidivism point. I think as probation notes and as we've noted, I think the likelihood of recidivism here is extremely low. But so turning to his history and characteristics. I know the Court has read carefully and considered the parties' submissions. But allow me at least to highlight sort of parts of our submission that I think are important. Despite the government's claim that because this

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fraud in this case lasted a period of years that somehow defeats our argument that he's otherwise led a law-abiding life. We never made an argument that he didn't commit crimes. We never made an argument that this was a one-off, one day, one crime. No, we've acknowledged the conspiracy. But arguing that his conduct is aberrant, the government seems to take great offense that we're saying look at Mr. Kolfage's whole body of work. Look at his life. The government has not presented the Court with any arguments about him having a lifetime of crime. To the contrary, it's this case and the related tax case, and it is related. It's the, not reporting the income from this case. Obviously, he's not a repeat offender. His military service we've laid out in our submission and is laid out in the PSR, but it's notable he had two tours in Iraq. He voluntarily enlisted in January of 2001, and he was deployed to Kuwait, and then he volunteered in August of 2004, for a second tour. Fourteen military commendations. They were not given to him because of his injuries. It wasn't, oh, look at what he suffered, let's give him commendations. They're for his valor at different times, at different times during his service, including the Purple Heart and the Air Force commendation medal.

His injured suffered in 2004 are apparent. They're well-documented. We discussed them, and they changed his life. But the argument that the government made in their submission,

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which of course this is my opportunity to respond to it, is that he led a double life. But following his injuries after dozens and dozens of surgery and rehabilitation, he showed remarkable resolve. It's amazing that he survived, and he dedicated his time to helping others similarly wounded and disabled to come to terms with their new realities and provide a source of inspiration.

The government likes to cite to Judge Marrero's opinion about white collar defendants, the double lives they lead. That really couldn't be farther from the truth as it relates to Mr. Kolfage, and I'll tell you why. Certainly he's committed the offenses here. Is he a lifetime fraudster? Is he a Ponzi schemer? No. Judge Marrero and many judges point out that many white collar defendants, wealthy individuals commit They become the pillars of their community, and they live these double lives. They're wonderful to their family. They donate to charities. They're out in the public eyes doing things. But they become pillars to their community by donating money to charities and religious institutions and the like by virtue of the health that they obtained, sometimes through ill-gotten gains. Sometimes not, and sometimes a combination of those. It's usually their wealth, prestige and financial generosity that's cited in the sentencing mitigation submissions that you see regularly in this district and across the country.

But what distinguishing Mr. Kolfage from those defendants is the generosity of time and effort to those around him. We presented a very tiny little portion of what he does to provide inspiration. That makes this fall even bigger because he is an inspiration to so many who are struggling with their disability. He spent countless hours with wounded warriors, amputees, children, adults, all in an effort to help those similarly situated. And he measures his charity, unlike a lot of those defendants, who measure them in dollars, he measured them in time devoted and the lives that he can help and that he can change and that he can inspire. That makes him truly different than many of the white collar defendants that come out.

Every white collar defendant in this case under 2B1.1 the government argues the same. Greed, of course. It's a crime, and we acknowledge it, but that doesn't end the discussion. They cite to Regensberg, which I mentioned, and he's materially different than Mr. Regensberg. He was perpetrating a Ponzi scheme. People had known him for years. He defrauded members of his synagogue that he held a position of authority in. He acted alone. He was conceiving and perpetuating a fraud against victims he knew and pocketing all that money himself. I cite all those factors because those are the factors that Judge Marrero cited when he made the comments they chose to pluck out and put into their submission. All

those factors were extremely important to Judge Marrero. The case is not analogous, but I understand why the government might use that, because he went on -- Judge Marrero went on to discuss the arguments that white collar defendants generally make. Stressing that his arguments were not uncommon, but they were very common.

But Regensberg went to trial. He denied that he committed the crimes. And if he did it, he said it was because he was suffering from a pathological gambling addiction, making excuses for his conduct for defrauding those closest to him.

Is that Mr. Kolfage here? Those are not the facts here. Those are not. He pled guilty, accepted responsibility a year ago.

And I submit to the Court that Judge Marrero was not talking about a defendant like Mr. Kolfage when he wrote that opinion.

I want to take a minute to discuss the government's repeated and lengthy reference to Mr. Kolfage's use of social media to attack this case. First, most of what they cite is from 2020, well before even our involvement in the case. He's not the first defendant in a high profile matter to lash out when he perceive that he was being demonized. He's not the first. He will not be the last. And as social media continues to perpetuate our communities and our lives, unfortunately in my opinion, people lose a filter, and people lash out sometimes. And in our day where people read the news today and forget it tomorrow, it gives people more comfort to just tweet

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or do whatever it is, whatever social media platform they like And I think that's concerning for our society, but I think it's not uncommon in his situation, but he'll address a little bit of that himself. It doesn't represent some contempt for this court or the government that has any bearing on his likelihood to reoffend or ability to be rehabilitated. I don't think the government is arguing that this Court should punish him harsher for statements he made prior to pleading guilty that didn't exhibit an acceptance of responsibility. I don't think they're staying that. I hope not, because I don't really follow that argument. Yes, he's saying I'm not guilty. Yes, I'm going to fight the case. Everybody is demonizing him throughout the country and he says those things. Okay, fine. But he accepted responsibility. He came in publicly and accepted responsibility. Fair game. In my view fair game for those statements that he pled quilty, after he pled quilty and then there's those statements. We're talking about very few posts, and he was not avoiding responsibility. And the government cites these notes from a meeting Mr. Kolfage had with the New York County District Attorney's office. Following his plea, somehow it seems presumably suggesting that Mr. Kolfage is really not accepting responsibility, and did not to even a brother or a sister organization. But it's interesting that they really don't continue that thread, because they don't inform the Court about the results of the

interview. Did the DA's office slam the door in his face? No, we were present. And I think the notes, it's something out of context. Notes are notes. Notes are there to remind me as the note taker or the Court as the note taker what happened during the meeting, and sometimes they're not 100 percent accurate. They're not a transcript. What were the results of the Bannon or the DA's office investigation? Well, Bannon was facing prosecution here. Mr. Bannon was facing prosecution here, and President Trump pardoned him.

After Mr. Kolfage pled, New York County came knocking.

New York County has indicted Mr. Bannon. And who did they

utilize to do so? The man sitting next to my colleague. He

testified in New York County grand jury, and Mr. Bannon's been

indicted. So the notion that he hasn't accepted

responsibility, the DA's office believes apparently what he has

to say, and he has not said — and he's not said to this Court.

We have not said it in our submission, and he will not say it

today, oh, I didn't do anything wrong. That's just not what

happened. And so one note that one assistant district attorney

took I don't think carries the day here.

Let me turn to medical care or lack of medical care that I think Mr. Kolfage will struggle to receive from the Bureau of Prisons. The government and probation gives sort of relatively short attention to what I think is probably one of the biggest issues the Court faces with Mr. Kolfage's

sentencing. I know if I were in the Court's position, this would be a huge issue for me, as it was for Judge Caproni in another case that I had. And essentially the government argues that, well, the Court should lower Mr. Kolfage's sentence 12 months within the guidelines because of his medical conditions and his service.

But in our submission we argue that sentencing

Mr. Kolfage to imprisonment here is taking a big gamble, a

risk, and I don't say that lightly. The government criticized

our submission heavily on this point pointing out sort of in a

footnote that we don't have any basis. For example, a footnote

saying that, we don't have any basis regarding medications, and

how the Bureau of Prisons is not going to take his medications.

But as it knows as one often has to do, including the

government in many, many circumstances, we must draw in our

experience with the Bureau of Prisons to formulate our

opinions. And I've had many experiences with clients, the

Bureau of Prisons and medical care over the years that I've

been practicing in this court.

But for me, the pandemic really exposed the BOP's weaknesses in this regard, given the amount of compassionate release litigation we were all engaged in around spring of 2020. I feel like those were years of just compassionate release I felt like is all we were doing. And most of it focused on medical care, at least the cases I was dealing with

were on, Are you going to receive, you client, receive appropriate medical care and/or issues related to Covid. And they're born from experience, and for me it's recent experience. So as I've cited in our sentencing memo the issue with my client Mr. Wilbright. He is confined to a wheelchair. He was supposed to be designated to a medical facility.

There's no room in a medical facility so he surrendered. He was in a camp. I was getting calls daily from his family that he was essentially in the SHU; and, oh, he arrived with his medications, and they took his medications away.

It's not that I think the Bureau of Prisons did anything mean or malicious or anything like that. I know from hearing from correction officers directly speaking to me that the policy is, yes, we want you to bring your medications. We want to see what you're on, bring them, and then we evaluate you, and our doctors will re-prescribe you if we think it's appropriate or not. So those medications essentially go in the garbage. For my client Mr. Wilbright, that meant weeks and weeks of waiting for those evaluations, and it took I think more than two months before he was finally sent to a medical facility. And they had to transport him to do it and that took a lot of time as well.

But the Bureau of Prisons for Mr. Kolfage as we've argued, it is an extremely heavily lift to care for him. And in a case that I had before Judge Gardephe, which was a trial

matter for which the defendant surrendered post-conviction, immediately upon conviction, who the Bureau of Prisons could not handle her anemia. That's the issue. And it got so bad that Judge Gardephe had to bail her so that she could be treated, so that she was not rushed to hospital several times for blood transfusions, because the Bureau of Prisons would not affirm to the Assistant U.S. Attorney or to the judge that they would provide her with B12 injections, B12, non-narcotic, just the vitamin just to make sure she had what she needed. She went to the emergency three times for transfusions. She was released.

Judge Gardephe recommended a medical facility. She went to that medical facility. I spoke to the jail. She spoke to the jail, please bring your medications. She brought her medications -- garbage. They noted them, and then put them in the garbage and said, we will either try to find something similar, or we'll prescribe just this, but it's own going to be after weeks of our evaluation. Well, the short story on that is a three-year sentence turned into a six-month sentence because they could not handle it. And all they needed to do again was treat her anemia, and she had to have a spinal surgery in between so she had some concerns, they couldn't handle it. So they released her to a halfway house in New York, who promptly went literally the day she arrive said, you need to go home. We can't handle your care. And this is not a

person confined to a wheelchair. This is not a person on narcotics. They could not handle it.

So I say all that because, yeah, I don't have documented evidence from the Bureau of Prisons, but I have 20 years of experience dealing with the Bureau of Prisons to draw on, good and bad, and so I ask the Court to draw on its experience as well. And on that point, the government provides, as it often does, a letter from the Bureau of Prisons. And I don't fault the government for doing that. They should of course reach out to the Bureau of Prisons, but that letter, as I read it, is the same letter that I received in so many cases. It's a form letter that tells you about the levels of care and basically inserts Mr. Kolfage's information. It doesn't answer. To me there's more questions as a result of that letter.

The devil is in the details, and I think the collective experience, probably everybody in this room is that the Bureau of Prisons is not the easiest organization to deal with, but they do not answer any of the questions. How are they going to with the debilitating pain he has from sciatica? The stabbing that he feels that goes on every 60 seconds for days at a time, and the way that's handled is with narcotics. And for you, me, anybody else walking who develops sciatica, it can be debilitating, but it can be managed. The difference is our nerve have not been severed. He's at the end of what might

be a lifetime of struggle with sciatica. He's getting that brunt. And if he does not have those narcotics, he can't go on. It's very, very — it's impossible for him to sustain that pain. He has tried. He's so concerned about being addicted to opioids, as we all are, and he has tried to even taper it down at times in his life. He can never go without it, but he tried to taper it down. Impossible. They've tried all the alternatives they can.

My experience with the Bureau of Prisons is they have told me on other cases for other clients, they're not giving narcotics. They're not doing it. Our clients struggle sometimes to get Ibuprofen. I don't know -- and the Bureau of Prisons certainly doesn't address it in their letter. They say we're aware of his condition, great. We can handle it. Well, they don't answer why they couldn't handle my other client with anemia, a very, very simple condition to deal with and they couldn't handle it at all. Not to mention that, it will take them weeks to determine it. I know that the letter also says, Please provide all the medical records. Well, apparently they didn't receive them. I guarantee to you Mr. Kolfage were to surrender, I will try, but it usually takes me weeks before I can get medical records in the hands of somebody to understand what someone's true condition is.

So some of the things that the government has addressed in terms of the nature of his offense and things like

that, I've addressed in our submission, and I addressed a little bit here to the Court as well, but there is one point. So the government is sort of asking you to enhance him from this other conduct, which is again my feeling like, Did we have a trial? Was this 404 evidence that I didn't see? I'm aware of it. We had extensive discussions about it in our plea negotiations. And in their footnote they raise this issue of this obstructive conduct and talk about how it wasn't necessarily fully developed. It seems to be fully developed enough that we had plenty of communications for months about it when we were trying to negotiate a plea so that Mr. Kolfage could save the Court and everybody else the time of a trial here.

But for all those reasons, I think the Court —
there's many reasons the Court would vary here, and I think for
me the reason we made the recommendation for no jail — and I
don't make that recommendation very often in the cases I do is
because I don't know how. One, I think the Court is well
within applying the factors to vary below the 51. And then
it's how can this person be sentenced to the Bureau of Prisons
and be able to do time and not do time as medical torture. And
that's what I'm very worried is going to happen, and I'm going
to be before the Court in two months after his surrender
saying, he hasn't gotten any of the medical care he needs.
He's having this pain every minute, and they will not give him

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any narcotics to deal with it, and then I'm going to be force to be making compassionate release motions. On sort of sentencing disparities, the government's only counter to our statistics regarding sentences in this circuit is to say that he was motivated by greed.

Well, other than some sort of legitimate need for money, it's not really a distinguishing factor under 2B1.1. It's hard because that new tool that allows us to look at all the statistics is so hard to find out the details of the other women. We don't really know what the subset of cases is, but I don't think I've ever had a case or read a decision in a fraud case where the government didn't make some sort of greed argument or variation on that, and we're not fighting that. And I think most of the cases are -- that's the driving factor. But as statistics go, I'd wager that Mr. Kolfage's medical needs would almost be unparallel. And his true devotion to helping others overcome their physical disabilities, as well as the mental disabilities and despair that come with these significant injuries distinguishes him from any of the defendants in that subset, in that subset where the median sentence is 15 months.

For all those reasons, we urge the Court to impose a non-incarceratory sentence for Mr. Kolfage. Thank you, Judge.

THE COURT: Mr. Kolfage, would you like to say anything?

DEFENDANT KOLFAGE: Yes, your Honor. Remorseful, disgusted and humiliated are just some of the words that describe my actions in this case, and what I take full responsibility for. I told people that I would not take any money as part of the GoFundMe campaign, and I did. It was wrong, a crime, and the worst decision I've made in my life. I'm deeply sorry for my actions. Leading up to creating this GoFundMe, I had the idea that maybe I could unite Americans like Congresswoman Gabby Giffords did who I had the honor of working with and do something great. This wasn't about building walls. It wasn't about some elaborate scheme to take \$20 million for myself, it was about putting the spotlight on our broken immigration system as a whole and attempting to unite the country for a greater good.

The GoFundMe was a vehicle to raise awareness. I was sick and tired of seeing political sides using migrants as pawns and never resolving the issue at hand. I'm the product of two separate families who emigrated here. My mother's side from Mexico. My father's side from Canada, two generations ago. I thought maybe I could be the catalyst to spark the change that would get our elected officials to overhaul our immigration system. Maybe I could use my injuries for a greater good that would impact people around the world, just not the United States. This was my true intention. My behavior of helping others over the past 20 years since being wounded is proof of

my character. However, I grossly misjudged the immediate impact this GoFundMe would have and the mass amount of funds that it would actually generate over night. It took off, and I wasn't prepared in any way to manage such a large project, which is why I sought out help. I even went to the U.S. Capital to meet with members of Congress and Senate to figure out how to make this happen. I was met with closed doors and dead ends as I rolled around seeking help from these elected officials. I was in way over my head at this point. I say this not to justify my actions, they were wrong, and I have admitted my crimes. I say this only to give the Court some context of my bad decisions. Anyone who knows me personally knows how deeply invested I am in this country.

The events that took place on September 11, 2004, are vividly in my thoughts like it was yesterday, and the reason I'm so passionate about this country. I was laying mangled bleeding out on the sandy Iraqi soil, fully awake, seeing my right hand hanging by a few threads of skin and knowing my legs were gone as my blood splattered all over my closest friends. Surely they thought I was dead and the look on their faces are burned into my memory today. This impacted every single decision that I make in my life today. Every morning, the moment I wake up and attempt to get out of bed, but cannot without assistance, I'm reminded of the dreadful day. It's a nightmare that never ends.

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I had great mentors leading up to this point in my life like democrat Congresswoman Gabby Giffords. I learned a lot from her. And although our political views may not always align, she taught me the importance of uniting people for a greater good. I was suppose to attend an event where she was shot, and I would have been by her side that day. I was spared my life again. Tragedy is what unfortunately I know. It's followed me throughout my life. I just wanted to help people. That's it. It shaped who I am today.

And I don't always properly filter my comments, whether in public or private. Following my indictment, the government is right. I made a lot of public comments on social There was a media storm surrounding this case like media. nothing I had ever been apart of. And the focus of many was to demonize me, and I've never been in this situation before. reacted badly. I made some really bad choices and will forever live with those consequences. I use to be known as the war hero, who was inspirational. I've now tarnished this for life. This behavior and actions are not in my character. This is not who I am as a person -- then, not now. Some people who don't take the time to know me personally misunderstand my deep passion and love of our country as arrogant and aggressive, but it's not. I'm just very passionate about our country because what I went through as being such a traumatic event.

I don't want what happened to me to be in vain and for

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nothing. Sorry. I made the promise not to personally benefit, not anyone else, and I broke that promise. I let many down. I let the donors down. I let my family down, and I've been humiliated by my poor decisions. Three years have pass since I made these mistakes, and it's weighed on me heavily every single day. Not a day has passed where I haven't asked myself how did I allow this to happen. Why did I do this?

I'm blessed with such a great, caring young family. Everyday I'm able to teach them new things and watch them grow is all I look forward to now. My children are old enough now. They can see and understand the struggle I face daily in our home, something that no one else sees. No one gets to see that struggle. It's personal. People only see me as this person in a wheelchair missing all his limbs, who appears to be having such a great life and always smiling. There's only one reason I'm able to live any semblance of a stable life today, and it's due to my family. They are my support system. They are there to pick me up when I'm down. They assist me every single day with mundane things that everyone takes for granted, things like getting dress, zipping up my jacket, buttoning my shirt and my pants. That's just the basics. I won't go into the rest of the very personal things they do for me. Having them in my life is the only reason I'm able to help others today.

Everyday is a battle for me. On a regular basis, I face things that would make most grown men consider giving up

their lives. No one can even imagine what it's like, and this is exactly why for the past 20 years I have devoted my life to helping others to overcome their challenges, because I face these demons all too often. My life has continually been spared from very traumatic life and death events for some reason. I don't know why. Maybe this is my purpose just to help others.

All I can do is admit my faults, learn from them and grow, and use it to assist others who may be suffering from something in their life. I'm positive the good I will do following this chapter in my life will greatly outweigh all the bad choices I have made involving this case. I will continue to help people overcome their challenges just as I did before. I ask the Court for leniency to see the real me beyond the facts of this case. Thank you.

THE COURT: I'll hear from the government with respect to Mr. Badolato.

MR. SOBELMAN: Your Honor, Mr. Badolato had a different role than Mr. Kolfage. While Mr. Kolfage was very public, Mr. Badolato was behind the scenes in the shadows. He played a central role in the scheme. It was he and Mr. Bannon who principally came up with the precise way that they would funnel money out of the organization to Mr. Kolfage and to others. And Mr. Badolato worked mostly at Mr. Bannon's direction to make it all happen. He was the one that — sort

of the connective tissue between Mr. Kolfage, Mr. Bannon, and to some extent Mr. Shea and others in perpetrating the scheme. He was the one who made sure the kickbacks got paid on schedule, help figure out what passthrough vehicle the laundering of the funds would occur. And he knew that what was being said were lies, and he was one of the people, him and Mr. Bannon that suggested the way in which Mr. Kolfage would lie, and he was the one who spoke directly with Mr. Kolfage about what should be said to the public, how it should be said to the public and donors.

Mr. Badolato is, as I mentioned earlier, differently situated than Mr. Kolfage, Mr. Bannon, Mr. Shea in a couple of ways. One, he didn't profit as much as Mr. Bannon, Mr. Kolfage or Mr. Shea did from the scheme. He was paid sort of a fixed fee monthly for his consulting, and he did do a number of sort of legitimate work for the organization as well in helping build the portions of The Wall that were built on the properties that We Build the Wall owned or controlled, and had a pretty large role almost in the government's view sort of a chief operating officer, but without necessarily the title or all of the authority. Mr. Badolato also hasn't made public pronouncements about the case after his arrest, after his guilty plea, and the government has much less concern about his recidivism or specific deterrence with respect to him than we do with respect to Mr. Kolfage.

Your Honor, we recognize that Mr. Badolato suffers some health challenges and sets forth some mitigating factors in his submission, some of which are under seal so I won't discuss them unless your Honor has questions about them, but we do think a substantial incarceration sentence is called for in light of his conduct, although we do think the Court should credit him for early acceptance of responsibility and give him whatever consideration the Court deems appropriate for his health challenges and other difficulties.

THE COURT: Mr. Kramer.

MR. KRAMER: Thank you, your Honor. Thank you, your Honor, for the opportunity to address the Court today. Like every defendant, Andy Badolato is many things. He's a dad. He's a son, a brother, a businessman, a patient, but he's also a felon, and that's why we're all here together today. And so I'd like to talk about that a little bit because as you've heard from the government here, Andy owns this crime and accepted responsibility for it in a way that's unique among his co-defendants past and present. I'd also like to talk a little bit about how Andy responded to his arrest. Because again, Andy's role is quite different. It tells you a little bit about his personal circumstances and his personal qualities. And the summary is that he responded exactly the way that you would want a defendant to respond. This is a man who accepted responsibility, indicated early on that he was prepared to

assist law enforcement, and took substantial steps to do so.

And I won't go into details unless the Court has questions about that, but it's an important distinguishing factor in this case, and I'll speak more about that in a minute.

I'll also need to talk to you a little bit about
Andy's health. As you heard from the government, Andy's got
some serial health challenges. Some of them are routine for a
50-plus year old man. The stroke he suffered last year is a
completely different animal. And I have to tell the Court that
I have not been face to face with Andy since that happened
until today, and there was a night and day distinction where I
just feel like I have to flag that. I also will talk a little
bit about Andy's family responsibilities. And I do want at the
outset to acknowledge that we mentioned Andy's son in our
pleadings. We mentioned that he was on track to graduate from
his program, and that he hoped to be able to live with Andy.
He's in the courtroom today. And I just wanted to acknowledge
that and thank him for driving up with Andy. I know how much
Andy appreciated that support in this really difficult time.

So let me go back to the offense conduct because again that's why we're here. Andy pled guilty to a wire fraud conspiracy, and he pled guilty to a conspiracy because he's guilty. He knows that. He owns that. It's his epitaph. That is the reality of his life today. So what happened? How did this go wrong? Well, Mr. Kolfage came up with what seem to be

a great idea. He tapped into something sort of deep and important for many people believed honestly and in good faith that a wall on the southern border would help with crime and help with immigration. And he went public with that idea, and obviously he raised a huge amount of money.

And the media started to look at Brian a little more closely. They wanted to understand who Mr. Kolfage was, and they raised some questions about him, Could we trust the donations would go to the right place. Andy knew about that. He did. He talked about it with Mr. Bannon. And Mr. Bannon said, that's not a problem. I'll pay him myself. And at first that gave Andy some comfort because it meant that if Mr. Bannon was paying Mr. Kolfage with his own funds, that the statements might not be false, that the statements might be true. He wasn't getting paid by We Build the Wall, that he was being paid by a private donor.

And then Mr. Bannon wrote a \$100,000 check from his 501 C4 or whatever the technical description is. And guess what that check did, it bounced. There's no money. And that's when Andy knew he had a problem, because that's when Mr. Bannon started to call him to say, you need to wire We Build the Walls funds to my entity. And that's when Andy knew that the lies were lies. It made him uncomfortable, but he never did anything to stop it. And in fact, he went on, as you heard from the government, he did facilitate some of these payments

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as well. He was the middleman. He was stuck between two sides. All told, Mr. Bannon received more than a million dollars from We Build the Wall, and Mr. Kolfage received more than \$350,000. As you heard the government mention, Andy's situation is different. Andy entered into a consulting contract with We Build the Wall. It was approved by the board. He provided legitimate consulting services. He was on the ground in the places that they were interested in building. He was working on Wall-a-Thon. He was paid something like \$174,000.

As the government put it in their sentencing papers, the benefits paled in comparison to his co-defendants, so his role is quite different. So was he part of the scheme, absolutely, 100 percent. He owns that. But was he the leader? Absolutely not. Was he one of the primary beneficiaries? was not. So he's made some clearly terrible decisions, and that's why we're here today. He's a felon, and that's our starting point. But let me tell you a little bit about what Andy did when this offense was discovered. After Andy was arrested, I spoke with him almost immediately, and he made some difficult decisions. One of the things that the Court might recall, I believe your Honor actually may have warned the parties at the time, there were a number of inflammatory statements made when this case was indicted. Andy didn't do Andy said nothing. He didn't say, like Mr. Bannon, that that.

this case was a fiasco and a political hit job. He didn't say that. He didn't say that this was an effort to intimidate supporters of President Trump. That's not what Andy said. Andy said nothing.

And he didn't say, like Mr. Bannon did, just a couple of months ago in the New York case that the whole thing was a sham. Andy said nothing because he decided right away. He decided right away that he needed to accept responsibility for this. He needed to try to find a way to cooperate with the government. He needed to find a way to try to make it right, and that's what he set out to do. And you know from the Sil submissions I think to some extent at least what Andy's able to say substantively about what happened in this case, about the leadership here, and I won't go into details unless the Court has questions because I have no understanding of where the state court really sits and whether there can be any prejudice to it, so I don't want to address it in open court.

Now the government credits Andy in its sentencing memo with providing truthful and accurate information about the offense conduct, but it elected, as its right, it's total in its right not to file a 5K, and I'm not complaining about that. I just want to be clear. I'm not suggesting that there's something bad faith or improper about that. That's the government's decision. It's a unilateral one. They're entitled to make it. But if you look at the sentencing memo, they

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explain that one of the chief reasons that Andy did not get a 5K is that under the unique facts of this case, he wasn't able to provide substantial assistance. And here's a quote, While he, meaning Andy, had information about the involvement of Bannon and Kolfage in the charged offense conduct, Bannon was pardoned. And the information about Kolfage was not additive (and Kolfage ultimately pled guilty).

And that brings us to the elephant in the room. Bannon was pardoned. A single defendant plucked from the case before he'd even gone to trial. Why? Well, it didn't have anything to do with the evidence. As the Court's heard, Mr. Bannon was both the leader of the scheme and the primary beneficiary. So the pardon wasn't about the facts. I've got my views, but the Court doesn't need to go there as to what was really going on. But the Court does have to answer a question, which is this: What does the pardon mean for Andy? Does it mean that Andy didn't do the work; that he didn't come prepared; that he didn't tell the truth; that he didn't meet with the government eight plus times? I don't think it means that at all. Andy did what he could to cooperate. He couldn't control a pardon granted by the former president. And I respectfully suggest that the Court shouldn't hold that pardon against him, because it's not his fault.

I suggest that the Court should credit Mr. Badolato for what he did, because that's how our system works. As a

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defense attorney I need to be able to tell clients, the cooperation has benefits. I need to be able to make representations. It's not going to be a pardon. You don't have to worry about that. The system is fair. And when that's undermined, and when that's undermined we find ourselves in a very difficult situation. The government talks a bit about general deterrence in its memo. I don't disagree. General deterrence is also important, but I also think the message in this case, as it relates to Andy, is somewhat unique because the Court has an opportunity to send the message that it's People who cooperate in good faith who provide truthful and accurate information about their role and about their co-defendant's role, including a very powerful, very powerful political figure, receive the benefit for that when it comes to sentencing. It's a very important message and I urge the Court to do that.

And legally, of course, there's two ways for the Court to do that. First, the Court can consider Andy's efforts, because under Second Circuit law, they clearly go towards his personal history and characteristics. So the Court can consider that as part of the normal Sentencing Reform Act, Section 3553 factors. And I'd be remiss not to point out that this isn't the first time that Andy has cooperated with federal authorities. We noted in a footnote a prior case from ten plus years ago where he was not implicated at all, but he was asked

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by the FBI to assist and to engage in proactive cooperation regarding legitimate mafia associated character. He did it.

He wore a wire. He recorded conversations, at some risk that the recordings demonstrate a threat to his life. I'm not saying that's dispositive here, but again it goes to who Andy is, what his personal characteristic and circumstances dictate that the Court think about when it comes to what efforts did he make here.

Second, the Court can also consider Andy's role under quideline Section 5K2.0, because again under Second Circuit authority, it's clear that the U.S. Attorney's office does not really have a vote, if you will, as it relates to assessing a defendant's efforts with state or local law enforcement. That's a decision for the Court. And we have filed as you know under seal some lengthy transcripts. And again, I would be happy to answer questions about them, including if there's particular passages if the Court has questions about their import or the value of that testimony. But again, I do not think it would be appropriate to do that in open court. What I would summarize at the end here is that there are sentencing recommendations that have been made by both probation and the U.S. Attorney's office. I think it's fair to say that neither of those recommendations take into consideration the extent or value of what he's been able to do as it relates to state and local law enforcement.

And I would point out that obviously the trial is scheduled. It is pending. Mr. Bannon faces serious charges. I do not know if Andy will be a witness, in part because of the stroke he suffered, and I'll talk about that in a minute; but he stands ready to do so if that's the decision that the prosecutors make.

There are two other major mitigating factors here that I'd like to talk about briefly. The first is Andy's health.

Andy suffers from a host of medical conditions. You saw the papers. We submitted a declaration from his brother, who's also his treating physician. And we submitted it as a declaration because we wanted it to be clear to the Court that this was a submission of a medical professional, not his brother. This is someone who treats him. He sends a separate letter. That wasn't a declaration. And there's no question. The government has never challenged that any of these conditions are serious. They never challenged that they're going to be difficult for anyone to deal with.

As we noted in the memo, Andy suffered an ICH stroke last year, which is a couple of months I believe after the testimony. Those strokes are quite deadly. He was lucky to survive. And the statistics around these conditions are that it's very unlikely, just statistically, that someone who suffers one of these strokes will be alive five years thereafter. And it's unfortunately because these strokes

reoccur. Once you have one, you're likely to have another, and we don't know how to stop that. The government mentions that — they concede the stroke makes it much less likely there's going to be any recidivism in this case. And I appreciate that acknowledge and I agree. But to me, it's not just a question of recidivism, because recidivism, that goes to whether there's going to be any harm done in the future. The question for me is more one of justice. If a man like Andy is facing a varying certain medical future, and is more likely than not that he will not survive a sentence of incarceration, I think that's something that the Court should consider, and it might weigh on my conscious. And I think it would weigh on anyone's conscious if you think about what's the fairest most just way to resolve this case.

And lastly, Andy's family circumstances are, he's got substantial responsibilities. As the Court knows from our memo, he lives today with his parents. His father is a stroke survivor — not an ICH stroke I should point out, but he requires substantial assistance, and Andy's able to do some of that for him, not all of it. I'm not trying to suggest that Andy's a medical professional or a Vet. He's got the capacity to do that kind of work today, because he does not. Andy's struggling in many respects with his own personal life. But Andy's been a very important source of inspiration and comfort to his son as well, who as I mentioned is here.

Billy has completed that program that we referenced.

He is in sort of a probationary state as he works his way into a halfway house and ultimately into — back integrated into hopefully Andy's home. I think Andy's very proud of his family, and he's very grateful for the support that they've all shown. As you saw from the letters, including from his father and his mother, all of his sons and his brothers. I know it's a comfort to Andy to have had Billy to be able to drive up with him today — well, past few days. And I hope Andy's able to continue to have that kind of relationship with his son as he moves forward with his life.

For all of those reasons, unless the Court has questions about those other materials, I would respectfully urge the Court to impose a sentence of probation. There's agreed forfeitures and restitution. I'd suggest that there should not be a criminal fine. Andy doesn't have the ability to pay. And I'd urge the Court to find a way to have Andy be able to spend time with his family and be able to have his medical conditions treated in appropriates ways short of incarceration. And with that unless the Court has questions, I'm prepared to sit down.

THE COURT: Mr. Badolato, would you like to say something.

DEFENDANT BADOLATO: Yes, I would. Yes, your Honor.

I sincerely apologize to the donors, this court, my family and

all others involved. I very, very deeply regret my actions. Since the very beginning, I have been truthful, honest and consistent with my lawyers, the SDNY, the state of New York and myself. I am blessed with a family and friends that have forgiven me and stand by my side even though I have caused them to suffer. I beg this Court's forgiveness and place myself at your mercy, your Honor, and special thanks to my son for driving up here with me. Thank you.

THE COURT: Is there any reason a sentence should not be imposed at this time?

MR. SOBELMAN: No, your Honor.

MR. KRAMER: No, your Honor.

MR. De CASTRO: No, your Honor.

THE COURT: As I have stated the guidelines range to be used in this case is 51 to 63 months' imprisonment for Mr. Kolfage, and 41 to 51 months' imprisonment for Mr. Badolato. Under the Supreme Court's decision in Booker and its progeny, the guidelines range is only one factor that I must consider in deciding the appropriate sentence. I'm also required to consider the other factors set forth in 18, United States Code, Section 3553(a). These include, first, the nature and circumstances of the offense and the history and characteristics of the defendant. Second, the need for the sentence imposed to reflect the seriousness of the offense; to promote respect for the law and to provide just punishment for

the offense; to afford adequate deterrence to criminal conduct; to protect the public from further crimes of the defendant; and to provide the defendant with needed educational or vocational training, medical care or other correctional treatment in the most effective manner.

Third, the kinds of sentences available. Fourth, the guidelines range. Fifth, any pertinent policy statement. Sixth, the need to avoid unwarranted sentence disparities among defendants with similar records who have been found guilty of similar conduct. And seven, the need to provide restitution to any victims of the offense. Ultimately, I'm required to impose a sentence sufficient, but no greater than necessary, to comply with the purposes of sentencing that I have just mentioned. I given substantial thought and attention to the appropriate sentence for these defendants, in light of the Section 3553(a) factors, and the purposes of sentencing as reflected in the statute.

On the one hand, the defendants committed a serious offense. In December 2018, through a crowd funding website known as GoFundMe, Mr. Kolfage initiated an online fundraising campaign that generated more than \$20 million. According to webpage statements, the campaign planned to donate the money to the federal government for the construction of a wall along the southern border of the United States. Within a month after questions arose concerning Mr. Kolfage's background and the

campaign's stated purpose, GoFundMe suspended the campaign, warning Mr. Kolfage that "unless he identified a legitimate non-profit organization, and to which those funds could be transferred, the crowd funding website would return the funds."

Mr. Kolfage then involved Mr. Badolato in the leadership of the fundraising efforts. Defendants established a none-for-profit entity called We Build the Wall to receive the money contributed to the online campaign in order to fund the private construction of a wall. To persuade GoFundMe to release the funds to We Build the Wall, Mr. Kolfage, Mr. Badolato, and others agreed that donors would have to opt-in to the rerouting of the money effectively causing We Build the Wall to reraise the funds by convincing donors to permit the transfer. Mr. Kolfage and Mr. Badolato also made a series of representations and assurances to GoFundMe, including their commitment to put into place written bylaws, and a promise that Mr. Kolfage would not be compensated from donor funds.

Starting in January 2019, Mr. Kolfage and Mr. Badolato in donor solicitations, public statements, social media posts and press appearances promised donors that a hundred percent of funds raised would be used for the construction of the Wall, not a penny would be used to compensate Mr. Kolfage. They also said that the leadership of We Build the Wall and its advisory board would not be compensated.

However, within days of the launch of We Build the Wall, Mr. Kolfage among others and Mr. Badolato secretly agreed that Mr. Kolfage would be paid a \$100,000 upfront, and then \$20,000 per month. This monthly salary, along with other payments began to pass to defendants through shell companies. And then in October 2019, when defendants learned of a possible criminal investigation, Mr. Kolfage and others took additional steps to conceal their scheme, including ceasing payments, using encrypted messaging applications and editing We Build the Wall's website to remove the promise that Mr. Kolfage was not being paid.

Between January and October 2019, We Build the Wall raised about \$25 million consisting of most of the \$20 million, which donors opted into transferring and newly donated funds. By October of 2019, Mr. Kolfage had received more than \$350,000 in donor funds, which he spent on travel, hotels and personal credit card debt. After engaging in this fraud, Mr. Kolfage separately conducted an extensive tax fraud scheme in which he repeatedly lied to the IRS to avoid paying taxes on his gains from the We Build the Wall fraud. But on the other hand, there are mitigating factors that weigh in the defendant's favor. I will start with Mr. Kolfage.

At the age of 41, these are Mr. Kolfage's first criminal convictions. He had a difficult childhood.

Mr. Kolfage was the product of a broken home, struggled in

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school and eventually dropped out. When he realized his life was heading in the wrong direction, in January 2001,

Mr. Kolfage enlisted in the Air Force. In 2003, he was deployed to Kuwait. On September 11, 2004, while stationed in Iraq, Mr. Kolfage was struck with a mortar during an attack, and as a result lost his legs and his right hand.

Based on his military actions and achievements, he received numerous commendations, including the Purple Heart. After his military service, Mr. Kolfage earned a college degree. Currently he spends much of his time volunteering for various veteran's organizations. The government agrees that Mr. Kolfage's injuries, physical condition and health circumstances are mitigating factors. He suffers from several medical conditions, has limited mobility in his day-to-day life and requires assistance. Mr. Kolfage continues to have the strong support of his friends and family. Valentine Cortes, Mr. Kolfage's friend from the Air Force writes that Mr. Kolfage "continues to be an inspiration for all that knew him. takes a special kind of man to suffer through all his personal and physical sacrifices and still remain a good father and husband " Danya Feltzin writes that he "is genuinely a good man. He is a dedicated husband, supportive father, and reliable friend." Brian Kolfage, Mr. Kolfage's father writes that he is a "caring compassionate person." Several other letters in Mr. Kolfage's sentencing submission state the same.

Furthermore, Mr. Kolfage has taken responsibility for his actions and expressed regret for his behavior as reflected in his plea of guilty and his statements here today.

I now turn to Mr. Badolato. Mr. Badolato is 58 years old. This is his first criminal conviction. He suffers from several medical conditions, including high blood pressure, depression, and alcohol abuse. Last June Mr. Badolato suffered a stroke. He now struggles with cognitive difficulties, including problems with short-term memory and the inability to find words. Mr. Badolato maintains from close relationships with his family. After his stroke, he moved in with his parents, who are in their late 70s. He performs basic household tasks and watches over them, and they also assist him with his medical needs.

The Court has received two dozen letters in support of Mr. Badolato. Enoch Reynolds, Mr. Badolato's brother writes that Mr. Badolato "is a very generous kind man." Melissa H. Badolato, Mr. Badolato's ex-wife writes that he is the "hardest working person she knows." and "has always been a wonderful provider for their family, not only financially, but also as a well-educated adviser, mentor and parent." Kenneth and Patricia Badolato, Mr. Badolato's parents, state that Mr. Badolato's moving back into their home has "blessing" and he has "been a big help." Michael, William and Robert Badolato, Mr. Badolato's sons write that he is "inseparable" from his

grandchildren "a positive influence throughout their entire life" and "has been such a great inspiration." The Court has reviewed over 15 other letters, and they all convey the same sentiment. Mr. Badolato has taken responsibility for his actions and expressed regret for his behavior as reflected by his plea of guilty and his statements here in court.

Mr. Badolato began offering information to the government and expressed an interest in pleading guilty months before

Mr. Kolfage did.

"timely and accurate information about the offense conduct."
Finally, the Court considers that Mr. Badolato had a lesser
role in the fraud compared to the other defendants. He did not
misappropriate the stolen funds for his personal use, and did
not participate in creating the false backdated documents to
conceal the wrongdoing. If there is ever a day in a person's
life when he's entitled to be judged on the basis of the
entirety of his background and contributions is sentencing.
And Section 3553(a) in directing the Court to consider the
history and characteristics of the offender is consistent with
that. The sentence I will impose today will credit Mr. Kolfage
and Mr. Badolato for their good qualities and recognize the
seriousness of their crimes.

Last October two individuals Bill Ward and Nicole Keller, both victims of the fraudulent scheme testified at the

trial of co-defendant Timothy Shea, who will be sentenced in June. Mr. Ward, the retiree from Gold Canyon, Arizona, who served 21 years in the army, took the stand and stated that he had donated a \$100 to We Build the Wall because he believes that Congress has failed to address the immigration problem at the southern border. Mr. Ward said "I just felt I'd been cheated."

Ms. Keller, a 10th grade biology teacher from

Lancaster County, Pennsylvania, testified that she contributed

between 50 and \$100 because her late husband was a border

patrol agent, and border security was an issue of great concern

to him. She feels the same way. Ms. Keller said "I was

insulted that somebody had taken what should be a position of

honor and valor, being injured for their country, and instead

used it to defraud me."

This was no ordinary financial fraud. When Mr. Ward and Ms. Keller donated their money to build the wall, they were expressing their views about a political issue that was important to them — immigration. Supporting We Build the Wall was their way of participating in the fabric of our democracy. It was a form of taking part in the political process. But now the infamous We Build the Wall scheme will no doubt have a chilling effect on civic participation in the political realm. Other American citizens may be reluctant to contribute their money to support a candidate or an organization because they

fear that the funds will not be used for the stated purpose.

A democracy means the engagement of ordinary citizens, like Mr. Ward and Ms. Keller. If we leave it up to battles among politicians, corporations and the media, we risk losing our democracy. Currently what are the authoritarian governments doing around the world? They crush the press. They suppress the vote. They pack the courts, and they banish civic organizations to prevent them from participating in the political sphere. For our democracy to work, we need to encourage broad civic participation. Mr. Ward and Ms. Keller express one political point of view, but it does not matter whether you agree with them or not. All citizens have the responsibility to inform themselves about the issues of the day and to get involved.

The fraud perpetrated by Mr. Kolfage and Mr. Badolato went well-beyond ripping off individual donors. They hurt us all by eroding the public's faith in the political process. The fraudsters behind We Build the Wall injured the body politic. I conclude, therefore, for all the reasons stated that a sentence within the guidelines range is merited for Mr. Kolfage, and that a sentence below the guidelines range is appropriate for Mr. Badolato. Accordingly, I do believe a variance pursuant to 18, United States Code, Section 3553(a) is warranted for Mr. Badolato.

Mr. Kolfage and Mr. Badolato, I shall now pronounce

your sentence. Mr. Kolfage, it is the judgment of this Court that you are sentenced to 51 months imprisonment for each count in both docket number 20 Cr. 412 and docket number 20 Cr. 201 to run concurrently, and to be followed by three years of supervised release for each count in both cases to run concurrently.

Mr. Badolato, you are sentenced to 36 months imprisonment, to be followed by three years of supervised release. Mr. Kolfage, I also impose a fine of \$20,000 to be paid in monthly installments of \$500 starting 30 days after your release from custody. Mr. Badolato, there will be no fine because probation reports that you're not able to pay a fine. Although each of you must pay the mandatory \$100 special assessment which is due immediately. The mandatory and standard conditions of supervised release set forth on pages 50 to 52 of Mr. Kolfage's presentence report, and pages 36 to 37 of Mr. Badolato's presentence report shall apply. In addition, the following special conditions shall apply to each of you.

You shall submit your person and any property, residence, vehicle, papers, computer, other electronic communications, data storage devices, cloud storage or media and effects to a search by any United States probation officer; and if needed, with the assistance of any law enforcement. The search is to be conducted when there is a reasonable suspicion concerning violation of a condition of supervision or unlawful

conduct by the person being supervised. Failure to submit to a search may be grounds for revocation of release. You shall warn any other occupants that the premises may be subject to searches pursuant to this condition. Any search shall be conducted at a reasonable time and in a reasonable manner. You must provide the probation officer with access to any requested financial information. You must not incur new credit charges or open additional lines of credit without the approval of probation unless you are in compliance with the installment payment schedule.

If the probation officer determines based on your criminal record, personal history or characteristics that you pose a risk to another person, including an organization, the probation officer, with the prior approval of the Court, may require you to notify the person about the risk, and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk. It is recommended that you be supervised in the district of residence.

Mr. Kolfage, the following special condition shall also apply to you. You must perform community service at a rate of 250 hours per year for each of the three years of supervised release to be approved, of course, by the probation office.

Mr. Badolato, the following special conditions apply

to you: You will participate in an outpatient treatment program approved by United States probation office, which program may include testing to determine whether you have reverted to using drugs or alcohol. You must contribute to the cost of services rendered based on your ability to pay and the availability of third-party payments. The Court authorizes the release of available drug treatment evaluations and reports, including the presentence investigation report to the substance use disorder treatment provider. You must participate in an outpatient mental health treatment program approved by probation. You must continue to take any prescribed medications, unless otherwise instructed by the healthcare provider.

You must contribute to the cost of services rendered based on your ability to pay and the availability of third-party payments. The Court authorizes the release of available psychological and psychiatric evaluations and reports, including the presentence report to any healthcare provider. Mr. Kolfage and Mr. Badolato, you are jointly and severally responsible for paying restitution in the amount of \$25,601,650. Mr. Kolfage, you are also responsible for paying restitution in the amount of \$143,000. These payments are payable to victims specified by the government in accordance with the terms outlied in the restitution order, which includes upon your release from prison, you shall commence monthly

installment payments in an amount equal to 15 percent of your gross income payable on the first of each month.

You must notify the Clerk of Court, the probation officer and the United States Attorney for this district within 30 days of any change of mailing or residence address that occurs or any material change in financial resources that affects your ability to pay restitution while any portion of the restitution remains unpaid.

Finally, I'm also required to remind you that as a result of committing the offense alleged in Count One of the superseding indictment, you shall forfeit to the United States pursuant to 18, United States Code, Section 981(a)(1)(C), 21 United States Code, Section 853, and 28, United States Code, Section 2461(c), any and all property constituting or derived from any proceeds you obtained directly or indirectly as a result of the violation, and any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the offense alleged in Count One of the superseding indictment.

Mr. Kolfage, specifically that is a sum of \$17,782,106, and all right, title and interest of the defendant and the following specific property: \$1,371,418 contained in Capital One account number 3017095806 held in the name of We Build the Wall, Inc. Mr. Badolato, specifically that is a sum of \$1,414,368, and all right, title and interest to any funds

contained in Capital One account number 3027095806, held in the name of We Build the Wall, Inc. Do the attorneys know of any legal reason why the sentence should not be imposed as stated?

MR. SOBELMAN: Your Honor, just one moment. Your Honor, just two brief amendments. One with respect to Mr. Kolfage because there are four counts, the special assessment should be \$400 rather than \$100.

THE COURT: I stand corrected. You're right. It should be \$400.

MR. SOBELMAN: And your Honor already issued a final order of forfeiture with respect to other items of specific property that Mr. Kolfage forfeited. The docket number is 351. One is \$5,179.39 that was in an Anedot account held by We Build the wall, and the second was real property in Sunland Park as described in the Court's order.

THE COURT: That is correct.

MR. KRAMER: Your Honor, I had a couple of small things. It's not clear to me with respect to the restitution order. We had submitted an agreed restitution order which included an apportionment of liability. Is that being adopted here?

THE COURT: The one submitted by the government is being adopted, yes.

MR. KRAMER: I just wanted to be clear the apportionment was part of the sentence.

THE COURT: Yes, it sets forth specific amounts.

MR. KRAMER: And then two request is that we would request given the Court's sentence that the Court recommends that Mr. Badolato be assigned to the federal prison camp in Pensacola, Florida, which would at least be closer to his family; and that he be considered for participation in the RDAP, Residential, Drug and Alcohol program.

THE COURT: I will make both of those recommendations.

MR. De CASTRO: Judge, I think answering your question, no reason that sentence cannot be imposed. I also have a couple of recommendations, but I'll let you finish.

THE COURT: The sentence as stated is imposed, both sentences, all sentences. Those are the sentences of the Court. Mr. Kolfage and Mr. Badolato, you have the right to appeal your conviction and sentence, except to whatever extent you may have waived that right as part of your plea agreement. The notice of appeal must be filed within 14 days of the judgment of conviction.

(Pause)

THE COURT: My law clerk has pointed out that I may have made an error with respect to Mr. Badolato's Capital

One -- I'm sorry, no. Mr. Kolfage's Capital One account number.

That account is 3027095806. As I was saying, you have a right to appeal your conviction and sentence, except to whatever extent you may have validly waived that right as part of your

plea agreement. The notice of appeal must be filed within 14 days of the judgment of conviction. If you're not able to pay the cost of an appeal, you may apply for leave to appeal in forma pauperis. If you request, the clerk of court will prepare and file a notice of appeal on your behalf. I understand that probation recommends voluntary surrender. Have the parties agreed to a date?

MR. De CASTRO: We have not discussed that, your Honor.

THE COURT: Well, then I'm going to suggest May 26th.

MR. KRAMER: Your Honor, may I request that
Mr. Badolato's date be set about 90 days out. He was scheduled
to go for a surgery with respect to his stints in his heart,
and 90 days would give him time to recover and then report.

THE COURT: That is acceptable.

MR. De CASTRO: Your Honor, two things. I would also request 90 days, and the reason I would request that is first of all, my experience with the BOP is they have to do a determination as to where. Obviously they make a designation. It's much more complicated as it relates to Mr. Kolfage. I'd ask that the Court recommend that he go to a federal medical facility. There's reference in the letter from BOP that they would consider him for general population. I don't know how that's possible. And I've had many clients with much less medical issues that go to a medical facility, a hospital. It's

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1	a prison, but it's a hospital. And I know, at least I know
2	from experience that it takes them a while, takes much longer
3	than 30 days. My experience is it's about 90 days, so I would
4	ask that the Court allow 90-day surrender, assuming that the
5	Bureau of Prisons is able to assign him.
6	THE COURT: I will permit 90-days, period, and I will
7	recommend a medical facility, but the outside date is 90 days.
8	Are there any further applications?
9	MR. SOBELMAN: Yes, your Honor. At this time, the
10	government respectfully request that the opens counts as to
11	these two defendants be dismissed.
12	THE COURT: They are dismissed. Mr. Kolfage and
13	Mr. Badolato, good luck to you. The matter is adjourned.
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	(Adjourned)
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